is being illegally imported/smuggled in a large quantum from China into the country;

(b) if so, whether the Government are contemplating to make any amendments in import regulations of silk so that it can be made easily available to small industries and the Government can earn import duty; and

(c) if so, the details thereof?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA): (a) Yes, Sir. The Government is aware that some quantity of raw silk is being smuggled into the country across the Bangladesh and Nepal borders.

(b) and (c) In the present policy of import-export silk has been continued in the restrictive list. Under the Duty Exemption Scheme the exporters are allowed to import duty free silk material for their use in export products. Besides, the Government of India have increased the input-output ratio of raw silk and dupion silk from 1.20:1 kg to 1.35:1 kg which will consequently increase the availability of silk to the exporters and small industries as well.

[English]

Lending System

2768. SHRI G.M. BANATWALLA: Will the Minister of FINANCE be pleased to state:

(a) the total lending by banks to the commercial sector during the past three fiscal years;

(b) the lending by banks to the commercial sector during the first quarter of the current fiscal year;

(c) whether it is a fact that bank credit applied for by the commercial sector shows a declining trend, and if so, the extent of the decline;

(d) the causes for the decline in bank lending to the commercial sector;

(e) whether the Government propose to consider fresh reduction in the bank lending rate to boost the credit offtake in the interest of the economy; and

(f) the measures, if any, proposed to be taken to increase bank lending at competitive rate and to avoid adverse impact?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ):(a) and (b) Information is being collected and will be laid on the Table of the House.

(c) and (d) Credit offtake by the corporate sector has not been to the expected extent for a number of reasons including the availability of sources of fund cheaper than bank credit.

(e) and (f) Reserve Bank of India have reported that interest rates have shown a definite and perceptible decline since mid-April 1997 across all maturities and instruments including Dated Government securities, Treasury Bills. Certificates of Deposits and commercial papers. The prime lending rates of most banks have been reduced by one to one and a half percentage points. In April, 1997 Reserve Bank of India have taken several measures to ensure availability of adequate bank credit to support the growth of the real sector and to ensure that banks brought down the lending rates. Accordingly, the banks Rate was reduced from 12.0 per cent per annum to 11.0 per cent annum and further to 10.0 per cent per annum with effect from the close of business on June 25, 1997. Measures were also taken by Reserve Bank of India to improve the credit delivery system and flow of resources to industry which include inter-alia withdrawal of stipulation of obligatory consortium system of credit to borrowers with credit limit of over Rs. 50 crore and freedom to banks to assess the working capital requirements of borrowers.

Export of Shrimps and Sea-Food

2769. SHRI L. RAMANA: Will the Minister of COMMERCE be pleased to state:

(a) whether many countries have rejected the consignments of shrimps and other sea-food items exported by India on the ground of being sub-standard;

(b) if so, the details thereof including the names of the countries, the value of consignments rejected and the items involved; and

(c) the steps taken by the Government to ensure quality of these products?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (DR. BOLLA BULLI RAMAIAH): (a) Yes, Sir.

(b) The details of the names of the countries where consignments were rejected in the year 1997 alongwith the names of the plants with the particulars of the items and value are given in the attached Statement.

(c) (1) Quality standards in respect of fish and fishery products exported from India and the standards to be met by the processing units have been laid down in the export of fish, frozen and processed fish and fishery products (Quality Control, Inspection and Monitoring) order and Rules, 1995.

(2) Further steps taken in this direction are suspension of exports by three units of sea-food exporters, and intimation to DGFT for taking appropriate action against one unit exporting sea-food in accordance with relevant provisions of the Foreign Trade Development Regulation Act, 1992.